

STATEMENT OF CONSIDERATIONS

REQUEST BY CATERPILLAR INC. FOR AN ADVANCE WAIVER OF
DOMESTIC AND FOREIGN PATENT RIGHTS UNDER A SUBCONTRACT
WITH VEHICLE PROJECTS, LLC UNDER DOE COOPERATIVE AGREEMENT
NO. DE-FC36-01GO11095; W(A)-03-008; CH-1134

The Petitioner, Caterpillar, Inc. (Caterpillar), has requested a waiver of domestic and foreign patent rights for all subject inventions made by its employees and its wholly-owned subsidiaries' employees arising from the above referenced cooperative agreement entitled "Fuel Cell Mine Loader and Prototype Locomotive." The Petitioner is a subcontractor under the referenced cooperative agreement with Vehicle Projects, LLC, a domestic small business.

Under the cooperative agreement Vehicle Projects, LLC is leading a teaming arrangement to design and build an experimental fuel cell powered underground mining machine. Under its subcontract Caterpillar is to design, build and test the drive train, hydraulic, and operator control systems and build a modified production machine using a fuel cell powerplant developed by the other team members.

The work under Caterpillar's subcontract is expected to take place over a period of two years at a total cost of \$1,900,111. Caterpillar is obligated to cost share \$800,111, or about 42 percent of the total cost of the project.

Referring to items 4 -8 of Caterpillar's waiver petition, Caterpillar is a leading manufacturer of heavy-duty off-highway equipment. Caterpillar has been designing and manufacturing heavy-duty off-highway equipment for over 75 years, and is currently the world's largest manufacturer of earth-moving, materials handling, construction and mining equipment and is a world leader in the design, development, production and marketing of medium and heavy duty diesel engines, gas engines, and industrial gas turbine engines. This, coupled with caterpillar's cost sharing, clearly demonstrates the likelihood that Caterpillar will continue development and commercialization of the results of the agreement.

Petitioner has agreed that this waiver shall be subject to the march-in and preference for U. S. industry provisions, as well as the U.S. Government license, comparable to those set out in 35 U.S.C. 202-204. Further, Petitioner has agreed that products embodying any waived invention or produced through the use of any waived invention will be manufactured substantially in the United States unless Petitioner can show to the satisfaction of the DOE that it is not commercially feasible to do so. Further, Petitioner has agreed that it will not license assign or otherwise transfer any waived invention to any entity unless that entity agrees to these same requirements.

Referring to item 9 of the waiver petition, granting this waiver is not anticipated to have any adverse impact on competition. There are currently numerous competitors manufacturing heavy-duty off-highway equipment. The success of this subcontract can be expected to stimulate investment, not only in this technology, but also in other competing technologies as well.

Considering the foregoing, it is believed that granting this waiver will provide Petitioner with the necessary incentive to invest its resources in the commercialization of the results of the agreement in a fashion which will make the technology available to the public in the shortest practicable time. Therefore, upon evaluation of the waiver petition and in view of the objectives and considerations set forth in 10 CFR part 784, all of which have been considered, it is recommended that the requested waiver be granted.



Thomas G. Anderson
Assistant Chief Counsel
Intellectual Property Law Division

Date 7/18/03

Based upon the foregoing Statement of Considerations and representations in the attached waiver petition, it is determined that the interest of the United States and the general public will best be served by a waiver of patent rights of the scope described above, and therefore the waiver is granted. This waiver will not apply to any modification or extension of the cooperative agreement, where through such modification or extension, the purpose, scope or cost of the cooperative agreement has been substantially altered.

CONCURRENCE:



Steven G. Chalk, Director
Office of Hydrogen, Fuel Cells and
Infrastructure Technologies Program
EE-2H

Date: 8/5/03

APPROVAL:



Paul A. Gottlieb
Assistant General Counsel for Technology
Transfer and Intellectual Property
GC-62

Date: 10-1-03

(t) U. S. COMPETITIVENESS

The Contractor agrees that any products embodying any waived invention or produced through the use of any waived invention will be manufactured substantially in the United States unless the Contractor can show to the satisfaction of the DOE that it is not commercially feasible to do so. In the event the DOE agrees to foreign manufacture, there will be a requirement that the Government's support of the technology be recognized in some appropriate manner, e.g., recoupment of the Government's investment, etc. The Contractor agrees that it will not license, assign or otherwise transfer any waived invention to any entity unless that entity agrees to these same requirements. Should the Contractor or other such entity receiving rights in the invention undergo a change in ownership amounting to a controlling interest, then the waiver, assignment, license, or other transfer of rights in the waived invention is suspended until approved in writing by the DOE.